

Maricopa County Policies and Procedures	Subject: Internal Audit Process	Number: A1001 Issue Date: 08/96
Approved: David R. Smith	Initiating Department: Internal Audit	

A. Purpose

To establish a County-wide audit function designed to: 1) Protect County assets; 2) Ensure compliance with Arizona Revised Statutes, County policies, and other applicable rules and regulations; 3) Improve the effectiveness of internal controls; 4) Promote financial and operational efficiency, and; 5) Provide management with objective information to effectively make vital business decisions.

B. Policy

The Internal Audit Department will provide the Board of Supervisors with an annual audit plan, written reports of audit findings and recommendations, monthly and year-end progress reports, and other requested information.

C. Definitions

N/A

D. Authority and Responsibility

ARS §11-251 authorizes the Board of Supervisors to confirm that County officers faithfully perform their duties and present their books for inspection and examination. The Board of Supervisors has established an internal audit function to perform these duties. Elected officials and department directors shall provide or make available any requested information or material.

E. Procedures

Audit Plan - Internal Audit develops a written annual plan of scheduled audits to ensure that County operations, systems, and offices are reviewed at appropriate intervals.

Audit Approval - The County Auditor submits the annual audit plan to the Board of Supervisors for approval. All other requests for audits (those not included in the annual audit plan) must be submitted in writing to the County Auditor for review. These special requests are then presented to the Board of Supervisors for approval on an individual basis.

Provide Notice - The County Auditor selects an audit from the approved audit plan or a Board approved special request and prepares an audit engagement letter notifying all necessary parties (Board members, County Administrative Officer, auditee, etc.) of the upcoming audit.

Opening Conference - The assigned auditors schedule an opening conference to explain the audit process and methodology to auditee management and designated staff; auditee concerns are taken into consideration.

Preliminary Survey - The auditors become familiar with the operation by interviewing employees and reviewing organizational charts, flowcharts, job descriptions, and written work procedures.

Audit Program - An audit program is developed after all significant background information has been reviewed. The audit program serves as a guide to ensure that stated objectives are achieved and significant concerns are investigated.

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Fieldwork - To meet the audit objectives, evidence is obtained through inspection, observation, inquiries, confirmations, tests, and surveys. All information gathered is held in confidence.

Communications - The auditors communicate with the auditee throughout the audit process to better understand the auditee's operations, to identify problems, and to recommend feasible solutions.

Closing Conference - The auditors and the auditee meet to review and discuss the findings and recommendations presented in the draft report. Management is responsible for initiating corrective actions.

Written Response - The auditee submits a written response and action plan to the County Auditor. The action plan should include target dates for implementing corrective actions.

Final Report - A final report consisting of an audit summary and detailed findings and recommendations is prepared by the County Auditor and submitted to the Board of Supervisors. The auditee's response and action plan are attached.

Reference:

A1002 Audit Follow-Up Procedures